

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
First-Class Package Service Contract 61
(MC2016-195)
Negotiated Service Agreement

Docket No. CP2016-278

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF AMENDMENT TO
FIRST-CLASS PACKAGE SERVICE CONTRACT 61

(January 6, 2017)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to the Commission's Notice Initiating Docket(s).¹ In that Initiating Notice, the Commission reopens the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service notice to Amend First-Class Package Service Contract 61.²

II. BACKGROUND

The Commission approved the original First-Class Package Service Contract 61 in Order No. 3524.³ The Postal Service states that "the terms of the First-Class Package Service Contract 61 have changed as contemplated by the contract's terms". *Notice* at 1. To support the Notice, the Postal Service filed a redacted copy of the amendment in Attachment A. The amendment is scheduled to become effective one

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, December 28, 2016 (Initiating Notice).

² Notice of United States Postal Service of Amendment to First-Class Package Service Contract 61, December 27, 2016 (Notice).

³ Order Adding First-Class Package Service Contract 61 to the Competitive Product List, September 20, 2016 (Order No. 3524).

business day after the Commission completes its review of the filing. *Notice* at 1. According to the Postal Service this amendment is not expected to materially affect the cost coverage of Contract 61, thus the original supporting financial documentation remains applicable. *Id.*

Requirements of 39 U.S.C. § 3633. Pursuant to section 3633(a), prices for competitive products must cover each product's attributable costs, not result in subsidization of competitive products by market dominant products, and ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the amendment, the financial worksheets, as well as all other documentation related to the original First-Class Package Service Contract 61. Based upon that review, the Public Representative concludes that the requested amendment for First-Class Package Service Contract 61 will continue to generate sufficient revenue to cover costs thereby satisfying the requirements of 39 U.S.C. § 3633(a). Further, the original terms of the contract should help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) over the lifetime of the contract. The Commission will also have an opportunity to review the revenue, cost and volume data for the amended First-Class Package Service Contract 61 in the future Annual Compliance Determination Reports.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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